

Jo Ann Goddard  
Director  
Federal Regulatory Relations

1275 Pennsylvania Avenue, N.W., Suite 400  
Washington, D.C. 20004  
(202) 383-6429

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

**EX PARTE**

William F. Caton  
Acting Secretary  
Federal Communications Commission  
Mail Stop 1170  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

Dear Mr. Caton:

Re: CC Docket No. 93-162

The attached document reflects information discussed during a telephone conference call held on Wednesday, December 29, 1993, between Cathie Shelton and Mike Guntrum of Pacific Bell and Chris Frentrup of the Tariff Division of the Common Carrier Bureau. Please associate this material with the above-referenced proceeding.

Two copies of this notice were submitted to the Secretary of the FCC in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions or require additional information concerning this matter.

Sincerely,



Attachment

cc: Chris Frentrup

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## STANDARD PROJECT COSTS FOR NEW CENTRAL OFFICE BUILDINGS

### Clarification

- 1) On pages 2 and 3 of the Standard Project Cost Calculations: Calculation for the Fire Proofing Beams uses an assumption of 4 bays while Fire Detectors uses 25 bays. Why the difference?

A.) Fire Proofing Beams are calculated based on interior divisions between building bays. The proposed 10,000 square foot Central Office is assumed to measure 100 ft X 100 ft which accommodates 5 building bays per side with 4 interior divisions. Therefore 8 beams will be required, each with a length of 100 linear feet. Fire Detectors are placed within a building bay area and the proposed Central Office has 25 building bays.

- 2) Page 3 of the Standard Project Cost Calculations -- "Common Area Finishes": Calculation uses an assumption of 10% of total Central Office space, where does this come from?

A.) Pacific's assumption is that 10% of the total Central Office floor space will be used by halls, offices, entries, etc. This assumption is specific to Pacific Bell and is based on norms in its new Central Office construction.

- 3) Page 3 of the Standard Project Cost Calculations -- "Common Area Finishes, Partitions": Proposed Central Office has 15 foot ceilings but the partitions are only 12 feet. Is it correct that the partitions don't go all the way to the ceiling?

A.) Partitions do not extend to ceiling. The 3 feet above partitioned areas is left open to accommodate cable routes and heating and ventilation ducting.

- 4) Page 4 of the Standard Project Cost Calculations -- "G.C. Overhead & Profit": Calculation assumes the 15% maximum for overhead while the R.S. Means average is 10%. Why was the maximum used instead of an average?

A.) The 15% reflects Pacific's experience in its geographic area.

- 5) Page 4 of the Standard Project Cost Calculations -- "G.C. Overhead & Profit": Calculation includes 7% from (1) 010 000 042. How was 7% arrived at? (Which items were not included?)

A.) The 7% represents an average impact experienced by Pacific Bell from the various factors listed. On any given job, some or all of these items will impact costs to varying degrees. No specific item is excluded.

- 6) Page 1 of Reference 1 from Standard Project Cost Calculations: 028.0010. Under "ENGINEERING FEES", what is an "Educational Planning Consultant"?

A.) Pacific uses this category as a general project engineering category. Actual expertise requirements vary by job. However, rather than selecting any one category from the titles listed below, such as electrical, Pacific has selected an overarching Engineering Fees category.

- 7) Page 4 of the Standard Project Cost Calculations -- "Financing Cost": How do we get the \$24?

A.) The future value of \$188.50 in hard costs, over 16 months, at 9%, equals \$212.44. The difference between the \$212.44 and the \$188.50, or \$24, is the "interest during construction" on the \$188.50.

- 8) Page 399 of Reference 2 from Page 4 Standard Project Cost Calculations -- : 1.24 adjustment factor. Why was the highest factor for California used?

A.) The vast majority of Central Offices listed in Pacific's EIS tariff are located in major metropolitan areas which is reflected in the 1.24 adjustment factor. Means cost data was adjusted by this factor and then further adjusted based on Pacific Bell experience. Some adjustments lowered the unit costs below the 1.24 and some were raised marginally above. The net effect, of Pacific's adjustments to the Means adjusted unit costs, is an adjustment factor of 1.22.